

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
April 27, 2021  
TELECONFERENCE ONLY

Present: Curtis J. Knapp, President  
Richard A. Larson, Vice President  
Joseph B. Onley, Secretary

Staff Present: F. Colin Willenbrock, General Manager  
Management/District Staff  
Tyler Whitney, General Counsel & Assistant General Manager  
Amber Gifford, Acting Clerk of the Board

Others: Jeff McCormick, Riverview Water System Customer  
Sonya Scauftaire, Selkirk Sun  
Tana Vanderholm, Member of the Public - Storybook Cottage  
Dan Peterson, Port District Commissioner

The meeting was called to order at 8:38a.m. by Curtis J. Knapp, President. A roll call was taken.

Mr. Willenbrock noted that Ms. Gifford will be filling in as Clerk of the Board in Ms. Willner's absence.

CONSENT AGENDA:

The minutes from the April 13, 2021 meeting and today's agenda were reviewed.

As of this date, April 27, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley, approved the following:

- The agenda for April 27, 2021 and the minutes of the April 13, 2021 meeting.
- Vouchers audited certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been made available to the Board. Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5599 through 5633 in the total amount of \$38,636.93; ACH payments in the total amount of \$649,749.98; Wire Transfers in the total amount of \$200,438.40; and ACH payroll transactions in the total amount of \$215,463.35 for the payroll ending April 15, 2021.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if Commissioners Larson or Onley had any topics for discussion.

Commissioner Onley brought up the suggestion of incentivizing our workforce to get the COVID-19 vaccine. He recommends that anyone who gets the vaccine be awarded two personal leave days for recovery. He has been reading in the press that others are doing something similar to get their workforce vaccinated and feels we should consider doing the same.

Commissioner Onley would like an explanation on the difference between HB1336 and SB5383 which were both delivered to the Governor, he is wondering if they passed or what the next steps are. Mr. Willenbrock stated the difference between the two bills is the House Bill provides unfettered retail authority while the Senate Bill is more restrictive, only allowing service in unserved areas which has not been clearly defined.

Commissioner Onley thanked Ms. Gifford for the new LEDs through the energy efficiency kits mail-out, while voicing a concern that they do have a “pulsing” effect after being used for a while and wondered if anyone else is experiencing that issue. Ms. Gifford indicated we could issue a replacement box if he received a defective batch and that she had not heard of anyone else having that problem.

Mr. Willenbrock asked if the Board would like to discuss Commissioner Onley’s suggestion for incentivizing vaccinations. Discussion was held.

Commissioner Onley made a motion that we award two personal leave days to anyone who has already received a vaccination and anyone going forward over the next two-months. The motion did not receive a second and the motion died on the floor. Commissioner Knapp stated he would like to see some cost statistics and analysis before considering it. Commissioner Larson agreed and stated he would like to see more information and is against a mandate. Discussion was held.

Mr. Willenbrock gave some COVID-19 case updates and statistics.

Mr. Willenbrock brought up that one of the commissioners voiced the ideas of reconvening in-person board meetings. He stated that we have the capacity and capability to social distance and could manage numbers as needed and that we’d have to give proper public notice. The decision would have to be made by the Board.

Commissioner Onley would like to see what our status is on May 3<sup>rd</sup> and continue hybrid until we are totally in the clear. Would like to see cameras set up in the Board Room for the hybrid option. Both Commissioner Larson & Knapp are in favor of getting back in-person.

Mr. Willenbrock concluded that the Board Meeting on May 4<sup>th</sup> will be virtual only and if Pend Oreille County remains in phase-3 then we will give notice that the next meeting will be conducted both in-person and virtually.

Mr. Willenbrock gave an update on NoaNet and expressed that they will be instrumental in funding rural broadband expansion. He stated that Craig Nelson is the interim CEO and that they are in negotiations right now to make him the permanent CEO. Mr. Willenbrock feels his ideas sound good and address many of the concerns the District has had for a long time.

Mr. Willenbrock discussed the PNC site auction. He did attend the auction last Friday. There were two bidders on the site, but there still has not been an announcement of the apparent winner. The two top bidders need to submit written statements as to their intentions of usage of the site in order to make a determination and submit to the court. They are looking for the “highest and best value” for the estate, community, creditors and want to see a robust plan that would bring jobs to the community and be for the betterment of Pend Oreille County. The exact timeline is unknown, but there is a hearing scheduled for this Thursday before the bankruptcy judge.

#### SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, shared Marshall Lake storm restoration photos from last week. He stated that Dick, Nick, and Chris did an excellent job and he was very impressed with our tree crews and their safety tailboard and execution of work.

#### CUSTOMER SPOTLIGHT:

Ms. Holderman shared a reminder to keep both water and electric meters clear. We are just now starting to read water meters following the winter season. She stated that the lobby has been fairly slow except for those customers coming in for line extension applications.

Commissioner Knapp asked how customers report danger trees. Ms. Holderman stated that a service order created and our crews evaluate if the tree is an immediate danger before cutting.

#### COMMISSION REPORT:

Commissioner Knapp attended the WPUDA new commissioner workshop on 4/14, on Thursday he attended the Education Steering Committee meeting, the Telecom Committee meeting, Government Relations and Communication as well as the Power Lunch with Lisa Brown. On April 16th attended the WPUDA Board Meeting. Locally he had a discussion with Kelly Driver regarding the Port District, and she voiced her support for having a meeting with just the nine commissioners, separate of having our quarterly Leadership meetings. Spoke with several customers on various topics including the Riverview Water system upgrade project, the CNS fiber program and concerned citizens regarding Newport City's press release regarding the possibility of starting their own electric utility.

Commissioner Larson attended the NoaNet meeting virtually with Colin and Sarah and said the February financials looks excellent. Energy Northwest was the presenter. He stated that he is hearing about Star-Link more and more, but doesn't know much about it. He attended the Telecom and Energy meetings to hear about legislative updates. Participated in the 4/21 EDC meeting and new by-laws were adopted. He reported that the EDC is staying directional on things and that Jamie discussed the Newport franchise agreement for electric utilities.

Commissioner Onley relayed that he understands that WPUDA is having a topic of discussion which will include Star-Link next month (to Commissioner Larson's point). On 4/14 he attended the new commissioner training along with Commissioner Knapp. Attended the education steering committee meeting on 4/15. Had a nice discussion with Mr. Willenbrock. Attended the Telecom committee on 4/15 and was sworn in as co-chair. Attended the Government Relations and Communications meetings as well and participated in the Water Committee meeting in the afternoon. On 4/16, attended the WPUDA Board Meeting as a non-voting attendee and gave the Telcom report from the previous day to the Board.

Commissioner Knapp would like to discuss Commissioner responsibilities and the groups/meeting they attend at a future meeting.

#### COMMISSION BUSINESS:

- Pre-Approval of Commission Travel or Meeting Attendance.

Commissioner Knapp will be attending the May 4<sup>th</sup> & 18<sup>th</sup> PUD Board Meeting. BAT on the May 13<sup>th</sup>. WPUDA Telecom conference 19<sup>th</sup> & 20<sup>th</sup>.

Commissioner Larson will be attending the May 4<sup>th</sup> & 18<sup>th</sup> PUD Board Meeting and the TEDD meeting.

Commissioner Onley – will be attending the May 4<sup>th</sup> & 18<sup>th</sup> PUD Board Meeting. BAT on the May 13<sup>th</sup>. WPUDA Telecom conference 19<sup>th</sup> & 20<sup>th</sup>.

Sonya Scaufaire stated that everyone is invited to attend the North Pend Oreille Chamber of Commerce meetings which are held the 1<sup>st</sup> Monday of every month. The next meeting is on May 3<sup>rd</sup> 7:30-8:30 with a 6:30pm social hour.

Upon motion by Commissioner Larson and seconded by Commissioner Onley, the Commissioner travel and meeting attendance was approved unanimously.

#### ACTION ITEM:

New service for the standard plus service.

Commissioner Onley stated that he is not excited about this offering. Commissioner Larson stated he would like to support the management team and let them make the call. Commissioner Knapp asked for any questions or comments. There were none.

- Resolution No. 1450 – CNS Policies and Fees Policy Revision. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to adopt the resolution and approve the updated policy. The motion passed unanimously.

Commissioner Onley would like a monthly detailed reporting/accounting of what orders are being placed/declined, etc, and monitor this for a year and make adjustments as needed from there. Mr. Willenbrock stated that we will evaluate internally what reporting we can provide.

#### MANAGEMENT REPORT:

Scott Jungblom reported that things are busy and there is a lot of work going on. They are finishing construction items on the fish ladder and addressing remaining safety measures – building stairs and access rails. L&I performed a voluntary inspection and provided us with a report before we start operations. The point repair bid is currently open. Water quality monitoring is underway. This year's Natural Resource Plans all have annual reports due to FERC and those are ready for filing. The spring eagle survey and ponderosa pine re-plant was conducted. The tech-committee recently approved proposal to renew license for eagle survey to monitor resident birds – active nests and chick count. This will now be done every 5 years.

Mark “Bubba” Scott reported that he is working on the Community Development Block Grant for Metaline Falls – it is a \$735K project to replace approx. 5,600’ of water distribution mains. Seeing some run-off from the falls at the water treatment plant. Riverview – still having customer issues, mostly with those experiencing blackish water (the distribution lines are clear). Working on options to clean the lines – looking to DOH for some help. Had a meeting at Riverview on 4/23 with customers to hear complaints/answer questions – quite a few in attendance. Overall it was a good meeting.

Following a 6-minute recess, the meeting resumed.

#### BUSINESS FROM THE PUBLIC:

Jeff McCormick with Riverview stated that he appreciates everyone getting back to him – specifically both Colin & Bubba following the last Board meeting. He had a good conversation with both Colin and Curt separately as well. Appreciates and thanks Bubba for everything he has done. Asked the question last meeting about removing the looped system from the bid as to when that was done and received the answer right before the meeting today. He raised the question as to how to help something like this from happening again. Mr. Willenbrock said we are working on compiling additional information to address questions that were raised at the 4/23 meeting. Discussion was held.

Mr. Whitney addressed ownership of the system and stated that the PUD owns title to the land and equipment, but that the PUD certainly listens to the system's customers in making decisions for the system.

Dan Peterson asked what system was being discussed. Commissioner Knapp clarified the discussion was about Riverview Water located off of Levitch Road commonly known as “The Rats Nest”.

#### STRATEGIC PLANNING SESSION FOR PUBLIC COMMENT:

Ms. Holderman shared the Strategic Planning Presentation. Mr. Willenbrock discussed the past-year process to update our strategic plan and addressed the period of transition that we are in with the closure of PNC. The plan addresses commissioner focused items. He stated that we had approximately 20 discussion items from the Board, took those and

discussed internally with the leadership team. The Strategic Plan includes high-level goals along with details around critical objectives. The plan will be evaluated and reviewed every 6-months to 1-year. What happens with PNC, economic development, Box costs and license agreement, etc., can all impact the plan. Mr. Willenbrock then gave an overview of the plan which has been shared and published on our website. We are looking for feedback and comment from the public.

Commissioner Onley suggested the following edit under Core Values – under community, edit to “....work through collaboration and volunteering” so it reads better. Mr. Willenbrock proposed that we add a line to the plan that addresses economic development.

Sonya Scaufaire stated that she would like to make herself available to help with any economic development discussions if needed. She also asked what the exit strategy is for the PUD in any proposals/plans we endeavor. Mr. Willenbrock stated we manage payment risk, counter-party risk, etc., and we protect customer classes from risk where we can.

Dan Peterson stated he would like to address the economic development discussion and suggested adding collaboration along with volunteerism under economic development. The EDC and all 9 commissioners used to all meet -we also now have the Kalispel Tribe & PORTA (tourism) and we should include them and collaborate. He suggested that under the Core Value of community that special focus is placed on economic development.

Commissioner Knapp agrees with the importance of seeing the larger picture, meeting and all coming together. He would like to take a look at how those larger meetings are facilitated so that they are meaningful.

Commissioner Onley has concerns with some of the system reliability components not aligning with financial health goals. Mr. Willenbrock points out that the tasks under system reliability all say “analyze” at the beginning. Commissioner Onley would like to see it say “analyze the need for or not the need...”.

Mr. Willenbrock suggests having the (6) entities commissioners/representatives join the EDC meeting and use that as a collaborative opportunity (to Mr. Peterson’s point).

Mr. Willenbrock stated that we will finalize the Strategic Plan and look for approval from the Board in June.

#### MANAGEMENT REPORT (continued):

Ms. Holderman discussed the status of the Childcare Grant as June 30<sup>th</sup> is our grant deadline. She stated that the feasibility report and business plan is being put together by our consultant and we should see that in the next couple weeks. There was discussion around the level of involvement from our community partners. Mr. Willenbrock gave an overview of the plan (80 spots, \$4-\$5 M cost to build, looking at adding scope for community center, meeting space, library facility, etc., to help obtain more funds). He stated that more funding is coming for ELC facilities (\$30M) and that we could get up to \$1M if awarded the grant. We would still need to find additional funding.

Tana Vanderholm with Storybook Cottage states that she operates a new childcare facility in Oldtown, ID and she was wondering why they weren’t involved/reached out to. Ms. Holderman stated that she did provide her information to our consultant. Tana is happy to discuss a discount for PUD employees and fill any community need as they have capacity. Mr. Willenbrock and Mr. Holderman agreed to follow up.

Robert Fritz reported that sixty line extensions have been completed so far this year and things are ramping up and getting busy. The CNS team is down one tech currently due to light duty so they are utilizing a meter reader to help support Mike Reed. The department will have a summer student coming on board at the end of May. Preparing to have a

dock crew available to help. Discussed the storm damage from last week – fiber wasn't terribly impacted.

Kevin Conway reported System Operations is down one operator in the rotation due to short-term disability. He has been filling in as the interim Dam Safety Officer while we are seeking a Power Production Manager and has been working with Sarah on FEMA funding for the Labor Day windstorm and the January storm restorations.

David Hodder stated that the substation service meters at Box will close out the metering upgrades necessary for Avista's participation in the EIM (energy imbalance market). Lots of staking of jobs taking place and getting busy with customers coming in.

Adam Wiltse stated he helped coordinate the L&I inspection at the fish ladder project that Scott mentioned and has been working to update and review safety policies procedures and plans with the Safety Steering Committee.

Bob Pebles stated that the substation network upgrades are coming to completion as well as the EIM project. He has been working on the outage map leveraging lessons learned from previous outages with the focus connectivity at the on Cusick substation. The network upgrades project at the Meteline Falls water treatment facility is in progress.

Mr. Willenbrock clarified that we are not joining the EIM (Avista is) and as part of our balancing authority we had to upgrade equipment and respond and accommodate accordingly. Avista will need to have more granular visibility into our system.

Angie Hall stated she has been working closely with David on compliance needs. The latest round of quarterly reporting went well everything is good.

John Bricher stated that he has been focused on the WA state audit (which occurs every two or three years) and that it should be wrapped up in 2-3 weeks. He will then shift focus to financial dashboards.

April Owen stated that the hard-copy 2020 Annual Report is now available. She gave kudos to Amber for her work on the front-end of the report. Ms. Owen highlighted 2020 financial items, including changes in cash balances for each system. Ms. Owen also reported on activities in the power supply department, and that market prices have been higher in the month of April than the first quarter of 2021.

Diana Jackson stated she had nothing to add, all is well.

Suzie Thompson reported that the Power Production Manager position has three potential candidates and she will be conducting interviews. Four summer students are starting at the end of May/beginning of June. Having trouble filling a north-end position as all of our summer interns must be attending or starting college. She is also working on short-term disability plan updates.

Amber Gifford reported that from and contracts and communications standpoint, all items for discussion have been previously covered. From a conservation standpoint, she stated that we received our first smart thermostat rebate application. Ductless heat pump rebates are still averaging 1-2 per month. With respect to the LED bulbs, Ms. Gifford stated that we did order extras so that in the event there is a dissatisfied customer we can provide a replacement.

Commissioner Knapp asked if there were any questions from the public or anything further. There were no questions.

The public hearing ended at 11:50 a.m.

Commissioner Knapp reported a 1-hour executive session on pending and/or potential litigation will begin at 12:00 p.m. Following the executive session, he will rejoin this meeting to adjourn.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 12:00 p.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; Tyler Whitney, General Counsel & Assistant General Manager; Kevin Conway, Director, Compliance, Safety, Engineering & Technology; Sarah Holderman, Director, Treasury, Broadband & Strategic Planning; April Owen, Director of Finance and Power Supply; and Chris Jones, Director, Operations. Mr. Conway and Mr. Jones left the executive session at 12:35p.m. At 1:00 p.m., Commissioner Knapp returned to open session and announced a 15-minute extension of the executive session. The executive session adjourned at 1:15 p.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 1:15 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form